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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070045
#4011
OK

June 21, 2012

Tom Schmaltz, Environmental Director
Headwaters, Inc.
10653 South River Front Parkway, Suite 300
South Jordan, Utah 84095

Subject: 2011 Annual Report Review Completion, COVOL, C/007/0045, Task ID #4011

Dear Mr. Schmaltz:

The Division staff has completed the review of the 2011 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 19, 2012.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
cc: Price Field Office
O:\007045.COV\WG4011\ReviewCompletionLetter.doc



Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 30, 2012**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	COVOL Engineered Fuels LC	Mine Name	COVOL
Permit Number	C/007/0045	Permit expiration Date	2014-09-01
Operator Name	COVOL Engineered Fuels LC	Phone Number	+1 (435) 613-1631
Mailing Address	1865 West Ridge Road	Email	kedwards@headwaters.com
City	Wellington		
State	UT	Zip Code	84542

DOGM File Location or Annual Report Location

Excess Spoil Piles

- ☐ Required
☒ Not Required

Refuse Piles

- ☐ Required
☒ Not Required

Impoundments

- ☒ Required
☐ Not Required

Other:

A copy of the inspection report is contained in Appendix A of this report.

OPERATOR COMMENTS

The annual impoundment inspection and certification was performed on December 22, 2011 for the two basins at Covol's Wellington facility. The inspection report is contained in Appendix A of this report.

REVIEWER COMMENTS

☒ Met Requirements ☐ Did Not meet Requirements

The submitted general information is complete and adequate. The annual inspections of the sediment containment ponds were completed on December 22, 2011. There were no indications that hazards or unstable conditions were present. Cleanout of the East pond was initiated in December 2011 and completed by March 13, 2012, as verified in inspection report # 3043. Both ponds are incised. The inlet ditches and culverts and the open channel spillways are capable of functioning as designed. Mr. White (P.E.) completed the certification process for the 12/22/2011 inspections on December 23, 2011.

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: BURROWING OWL PROTECTION

Objective: If future land disturbing activities are planned during Burrowing Owl Breeding season (February-August), Covol commits to conduct a survey of the area. COVOL will meet with the Division and DWR if burrowing owls are identified.

Frequency: Once prior to land disturbing activity

Status: Required prior to land disturbing activity

Reports: Immediately report to Division plans for land disturbing activity. Summary of survey in annual report.

Citation: MRP, Chapter 3, Section 3.3.3, page 3-9

Title: Raptor Protection

Objective: If future land disturbing activities are planned, Covol commits to conduct a raptor survey of the area. COVOL will meet with the Division and DWR if raptors or nests are identified.

Frequency: Once prior to land disturbing activity

Status: Required prior to land disturbing activity

Reports: Immediately report to Division plans for land disturbing activity. Summary of survey in annual report.

Citation: MRP, Chapter 3, Section 3.3.3, page 3-10

OPERATOR COMMENTS (OPTIONAL)

No additional land was disturbed during the reporting period.

REVIEWER COMMENTS

Additional raptor and burrowing owl surveys were not required during 2011 as the Permittee did not engage in any additional land disturbing activities.

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

N/A

Reviewer Comments

N/A

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
General Site Map, Wellington Dry Coal Cleaning Facility	Plate 5-1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments ☒ Met Requirements ☐ Did Not Meet Requirements

The submitted Plate 5-1 appears to be complete; the drawing is P.E. certified by Mr. Richard B. White, Utah registered professional engineer.